SymphonyAI

Ecommerce 2025

The new era of grocery innovation

Unlocking growth and loyalty through omni-channel strategies and AI-driven insights

Contents

68mn households
Online HH's
3.6m

1.3B transactions
Online transactions:
28mn

11B units
Online volume
888mn

Time window
H1 2025

Traditional grocery
retailers Europe,
USA

All retailers given
equal weight

Introduction: Redefining grocery eCommerce

The grocery eCommerce landscape is evolving at a rapid pace, driven by changing consumer behaviors, new market dynamics, and technological advancements.

SymphonyAI's annual study, now in its fourth year and its largest to date, analyzes data from a global panel of 68 million households, representing 1.3 billion transactions.

This unmatched data asset powers deep insights into how consumers engage with grocery eCommerce across the US and Europe, offering retailers the knowledge to propel their strategies into 2025 and beyond.

About SymphonyAI

SymphonyAI, 2024 Microsoft Partner of the Year for Business Transformation – AI Innovation, is building the leading enterprise AI SaaS company for digital transformation across the most critical and resilient growth verticals, including retail, consumer packaged goods, finance, manufacturing, media, and IT/enterprise service management. SymphonyAI verticals have many leading enterprises as clients. Since its founding in 2017, SymphonyAI has grown rapidly to 3,000 talented leaders, data scientists, and other professionals. SymphonyAI is an SAI Group company, backed by a $1 billion commitment from Dr. Romesh Wadhwani, a successful entrepreneur and philanthropist.

1 Channel trends:
From decline to renewed growth

After years of post-pandemic contraction, eCommerce in grocery has returned to robust growth, with the last six quarters demonstrating a clear resurgence. Customer penetration is on the rise, now exceeding pre-pandemic levels and underscoring the centrality of eCommerce to grocery industry expansion.

Central to this growth is the omnichannel shopper, consumers who shop both online and in-store. These customers now account for nearly 80% of all eCommerce channel users. Not only is their representation stable, but their value to retailers is far higher: omnichannel shoppers are three times more loyal and visit three times more often than in-store-only shoppers.

Retailers have recognized this value and are actively investing to expand and retain the omni-channel customer base. The ongoing focus on omnichannel is driving both immediate sales growth and long-term customer loyalty.

Ecommerce is once again gaining customers after a 3-year post-pandemic decline

Index of eCommerce Customer Penetration vs Q1 2019
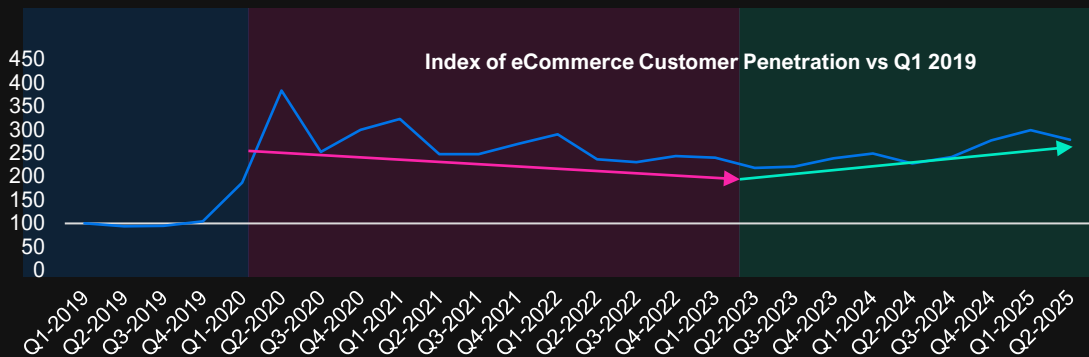
Omni-channel customers are **3 times more loyal** and **visit 3 times more often** than in-store shoppers, making them significantly more valuable to retailers

x3 vs in-store customers

% Loyal Customers

x3 vs in-store customers

Frequency

Customer profiling among omni-channel customers vs in-store only customers in H1 2025

2 The omni-channel advantage: Growth and loyalty

Transitioning customers from single-channel to omnichannel behavior delivers substantial results, 16% growth in spend per customer, with incremental spend (+20%) far outweighing any cannibalization (-4%) from their original channel. This expansion is driven by both higher shopping frequency (+8%) and larger baskets (+8%).

For online-only customers, the shift to omni-channel prompts a 17% increase in spend, driven primarily by a dramatic uptick in shopping frequency (+34%). These changes not only boost topline sales but also set the stage for durable loyalty gains.

Omni-channel shoppers are retained as loyal at rates four percentage points higher than in-store-only shoppers. When a customer's loyalty downgrades, their spend drops by 42%, illustrating the tremendous value of maintaining loyalty at the highest level.

Retailers are also able to upgrade secondary and tertiary customers to loyal status at much higher rates through omni-channel engagement, resulting in dramatic spending increases, 52% growth when a secondary customer becomes loyal.

However, only about half of customers are retained in the eCommerce channel, representing a significant opportunity for retailers to improve engagement and reduce churn through targeted tactics.

Spending will decline by 42% when loyal customers downgrade.

On the other hand, spending will increase by 52% when secondary customers upgrade their loyalty.

Omni-channel shopping is representing almost 80% of channel sales over the time

Incremental spend when becoming Omni-channel customers:

+16%

Split evenly between Frequency and Basket size

3 The state of eCommerce in 2025: A data-led perspective

Sales growth in the eCommerce channel reached 11%, fueled entirely by a surge in new and returning customers (+12%). Penetration trends are driving this expansion, even as basket size and purchase frequency show modest declines.

Ecommerce revenue accelerates as customer behavior evolves

Key contributors to drive the eCommerce channel

New Customers **+12.1%**

Basket Size **-2.5%**

Frequency **-1.1%**

Sales +11%

Three key themes now shape the grocery eCommerce landscape:

Expanding the omni-channel customer base	Capitalizing on the small basket trend	Mitigating frequency loss with subscription models
Maximizing revenue potential by converting more in-store shoppers to omni-channel	Leveraging the rise of smaller baskets to attract new customer and drive repeat visits	Using subscriptions to reinforce regular purchasing and build loyalty
New customers +12.1%	Small baskets -2.5%	Frequency -1.1%

Revenue drivers H1 2025 vs. H1 2024

4 Expanding customer reach, omni-channel as the growth engine

Over the past two years, eCommerce customer growth has rebounded, 7.5% in 2024 and accelerating to 12.4% in Q2 2025. Retailers have enhanced the online experience with faster delivery, social commerce, and personalization. Most new customers (about two-thirds) are omni-channel, either in-store shoppers adopting online, or new customers engaging a cross both channels. Regional differences are pronounced: US retailers are focused on customer acquisition, driving overall sales up by 12%. Europe, more mature in its eCommerce penetration, emphasizes deepening loyalty, achieving a 65% retention rate (vs. 54% in the US) and faster spending growth among loyal customers.

Across both regions, the shared challenge is to convert one-time or in-store customers into loyal, repeat omni-channel buyers.

AI-powered targeting and personalization

SymphonyAI's predictive models identify which in-store customers are primed to become omni-channel, allowing retailers to direct budget and effort efficiently. Around 6% of in-store shoppers are ready for omni-channel engagement.
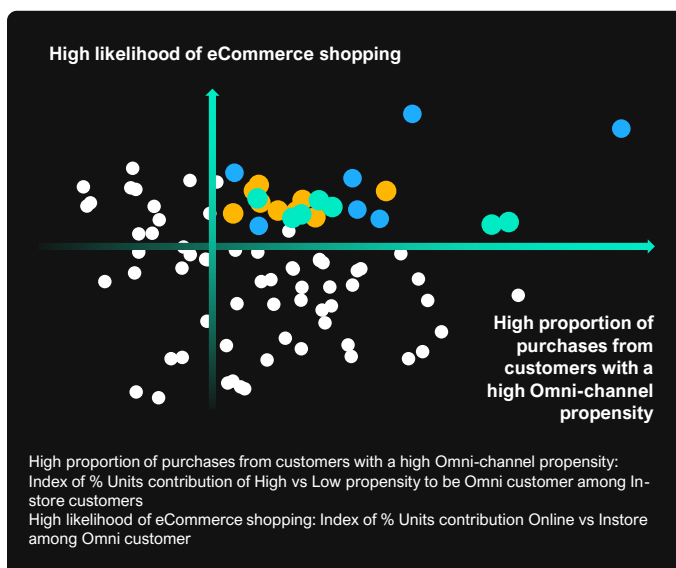
Once identified, these customers can be enticed online with tailored offers, promotions on organic products, larger pack sizes, and personalization aligned with their in-store purchase behaviors.

Key categories for omni-channel conversion

Three product themes are most effective in encouraging omni-channel shopping:

1. Frozen and Convenient Foods (e.g., frozen fruits, meats)
2. Health and Specialty (baby formula, healthy, plant-based items)
3. Household Essentials (cleaners, rice, pasta)

Strategically promoting these categories can drive up to **5.4%** incremental eCommerce sales.

High likelihood of eCommerce shopping

High proportion of purchases from customers with a high Omni-channel propensity

High proportion of purchases from customers with a high Omni-channel propensity:
Index of % Units contribution of High vs Low propensity to be Omni customer among In-store customers
High likelihood of eCommerce shopping: Index of % Units contribution Online vs Instore among Omni customer

5 Small baskets:
A gateway to growth

The average eCommerce basket size is shrinking by 2.5%, with small baskets (<20 items) now accounting for 37% of all online grocery trips. Large baskets continue to decline; medium baskets have stabilized.

This shift reflects changes in delivery thresholds and consumer behavior: in the US, lower requirements for free shipping (e.g., $35 or 8 units at Walmart) incentivize small basket trips, which now represent nearly 50% of the market. In Europe, higher thresholds mean small baskets account for only about 5-6%, but both regions are seeing growth in medium baskets.
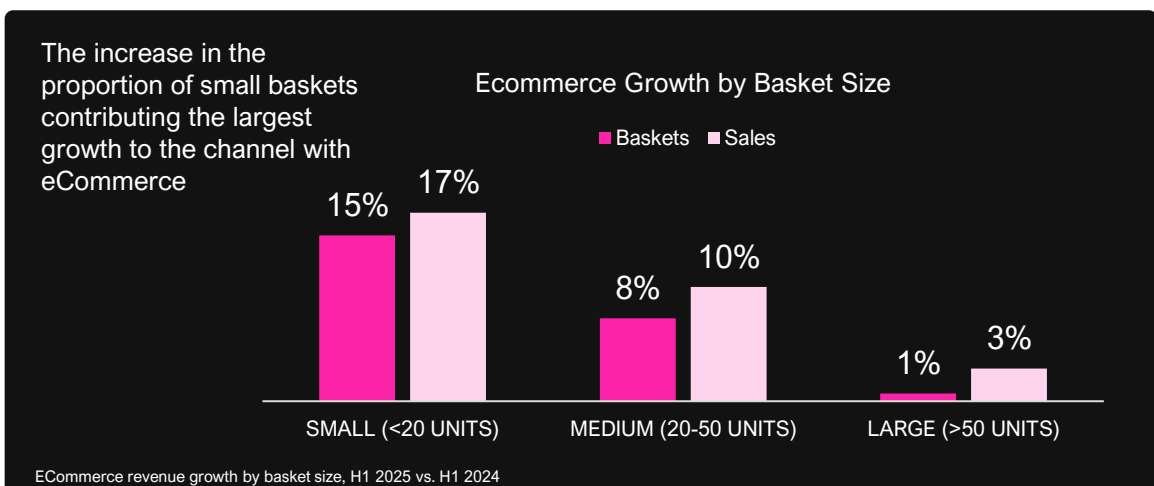
Mission-driven small baskets

Alcohol purchases top the list for small baskets, along with emergency baby supplies, cleaning products, and beverages. Emerging categories suggest further opportunity for retailers to capture loyalty by targeting these high-frequency, mission-driven purchases.

Small baskets are increasingly an entry point for new eCommerce customers. Though these customers are less loyal initially, targeted engagement strategies can foster lasting loyalty.

Driving loyalty and basket growth

Affinity analysis can recommend product combinations (e.g., spirits with mixers, diapers with cleaning supplies) to nudge small basket shoppers toward adding just one more item. This simple tactic yields nearly 1% incremental channel growth if applied to half the small basket trips.

The increase in the proportion of small baskets contributing the largest growth to the channel with eCommerce

Ecommerce Growth by Basket Size

■ Baskets ■ Sales

Basket Size	Baskets	Sales
SMALL (<20 UNITS)	15%	17%
MEDIUM (20-50 UNITS)	8%	10%
LARGE (>50 UNITS)	1%	3%

ECommerce revenue growth by basket size, H1 2025 vs. H1 2024

6 Subscription models: A solution to frequency decline

Purchase frequency is slipping, even among loyal e-commerce shoppers. To rebuild that rhythm, **subscription programs** offer a proven solution.

SymphonyAI's e-commerce segmentation shows why consistency matters so much. **Only 17% of online shoppers**, the Highly and Moderately Consistent ones, generate **over half of all e-commerce sales**. They spend 10 times more than irregular shoppers and stay active almost all year. But recently, even these top segments have reduced their spend, mostly because they shop less often.

In fact, **60 to 80% of the decline** in retained e-commerce sales comes from fewer purchase occasions.

To reverse this trend, the priority is clear**: make it easier for customers to buy regularly.** Subscription programs do exactly that, especially when focused on **high-frequency categories**: staples like paper goods, milk, yogurt, cereal, or frozen foods.

By offering simple monthly deliveries, tailored promotions, and exclusive advantages, retailers can help customers simplify their routines while driving predictable sales.

> **A subscription program**
>
> is a business model in which customers pay a recurring fee to receive benefits such as special promotions, automatic replenishment, or free delivery on a regular basis

SymphonyAI's analysis shows that a well-designed subscription program can generate **up to 1.3% incremental e-commerce sales**, mainly by increasing purchase frequency among already loyal shoppers.

The winning formula is straightforward:

- **Target your most consistent online shoppers**
- **Center the offer around everyday essentials**
- **Aim for one purchase per month**

This approach helps stabilize frequency, maintain engagement, and turn loyalty into steady growth.

Conclusion - The road ahead: Data-driven paths to eCommerce success

The grocery eCommerce channel is poised for significant growth, with SymphonyAI identifying a total 7.6% incremental sales opportunity for retailers who embrace AI-driven, customer-centric strategies.

Those retailers who choose to expand their omni-channel base and leverage AI will see growth and enhanced customer experiences in this evolving eCommerce landscape.

Unlock incremental sales with AI-powered customer-centric insights.

Identify and **turn high-potential in-store shoppers into valuable omnichannel customers with personalized offers** in high-potential categories like frozen & convenient foods

Leverage **affinity analysis** to recommend complementary products, like spirits with mixers or diapers with cleaning supplies, to **turn small baskets into bigger ones**

Introduce a subscription program to **maintain spending from regular online shoppers,** especially Highly Consistent Shoppers, by offering convenient monthly deliveries, exclusive discounts, and focusing on staple goods within the program

Expanding customer reach and the **rise of omni-channel** shoppers	**5.4%**	New Customers
Small baskets: The **new normal** in online shopping	**0.9%**	Basket Size
Addressing frequency declines: The **subscription** opportunity	**1.3%**	Frequency